

Committee on the Budget • Majority Caucus U.S. House of Representatives Jim Nussle, Chairman

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Summarizing budgetary issues in legislation scheduled for the House floor

25 July 2005

Week	of	25	July	2005
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SUSPENSION CALENDAR

1) Expressing the Sense of Congress With Respect to the Establishment of an Appropriate Day for the Commemoration of the Women Suffragists Who Fought for and Won the Right of Women to Vote in the United States (H.J.Res.59).

This resolution has no budget implications.

2) Supporting the Goals and Ideals of National Life Insurance Awareness Month, and for Other Purposes (H.Con.Res.181).



This resolution has no budget implications.

3) Honoring Former President William Jefferson Clinton on the Occasion of His 59th Birthday (H.Res.329).



This resolution has no budget implications.

4) Supporting the Goals and Ideals of National Health Center Week in Order to Raise Awareness of Health Services Provided by Community, Migrant, Public Housing, and Homeless Health Centers, and for Other Purposes (H.Res.289).



This resolution has no budget implications.

5) Supporting the Goals of "A Day of Commemoration of the Great Upheaval," and for Other Purposes (H.Res.294).



This resolution has no budget implications.

6) To Designate the Facility of the United States Postal Service Located at 306 2nd Avenue in Brockway, Montana, as the "Paul Kasten Post Office Building" (H.R.2977).



This bill does not affect direct spending – spending not subject to appropriations – or revenue.

7) To Designate the Facility of the United States Postal Service Located at 102 South Walters Avenue in Hodgenville, Kentucky, as the "Abraham Lincoln Birthplace Post Office Building" (H.R.2894).



This bill does not affect direct spending or revenue.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A vellow flag indicates moderate or potential problems. A red flag indicates serious problems. Also note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.

8) A Bill to Designate the Facility of the United States Postal Service Located at 1560 Union Valley Road in West Milford, New Jersey, as the "Brian P. Parrello Post Office Building" (S.904).



This bill does not affect direct spending or revenue.

9) A Bill to Designate the Facility of the United States Postal Service Located at 123 W. 7th Street in Holdenville, Oklahoma, as the "Boone Pickens Post Office" (S.775).



This bill does not affect direct spending or revenue.

10) A Bill to Designate the Facility of the United States Postal Service Located at 1915 Fulton 🔎 Street in Brooklyn, New York, as the "Congresswoman Shirley A. Chisholm Post Office **Building**" (S.571).



This bill does not affect direct spending or revenue.

11) To Designate the Facility of the United States Postal Service Located at 2061 South Park Avenue in Buffalo, New York, as the "James T. Molloy Post Office Building" (H.R.3339). This bill does not affect direct spending or revenue.



12) Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Settlement Act (H.R.1797).



This bill authorizes discretionary spending – spending subject to appropriations – of \$18 million in 2006, and \$13 million annually over the 2007-10 period, for payments to compensate the Spokane Tribe of Indians Settlement Fund for land taken to build the Grand Coulee Dam in Washington. The Spokane Tribe - the beneficiary of the legislation - will receive the payments from the Bonneville Power Administration [BPA] Because the trust funds are considered to be nonbudgetary, the subsequent use of such funds by the tribe will not affect Federal outlays. Under the bill, the BPA will be relieved from making certain interest payments to the Treasury for funds borrowed on the BPA's behalf. This will have the effect of increasing direct spedning by the BPA by \$6 million over the 2006-10 period. The Committee on Resources has sufficient room in its allocation of new budget authority to accommodate this legislation.

13) Supporting the Goals of National Marina Day and Urging Marinas Continue Providing Environmentally Friendly Gateways to Boating (H.Res.308).



This resolution has no budget implications.

14) Expressing the Sense of the House of Representatives That the Federal Trade Commission Should Investigate the Publication of the Video Game "Grand Theft Auto: San Andreas" to Determine if the Publisher Intentionally Deceived the Entertainment Software Ratings Board to Avoid an "Adults-Only" Rating (H.Res.376).



This resolution has no budget implications.

15) Servicemembers' Group Life Insurance Enhancement Act of 2005 (H.R.3200). This bill makes permanent the authority in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief Act, 2005, that increased maximum coverage under the Servicemembers' Group Life Insurance [SGLI] and the Veterans' Group Life Insurance [VGLI] programs. The bill also allows those servicemembers insured under SGLI to opt out of its Traumatic Injury Protection Insurance. Enacting H.R. 3200 will not affect direct spending or revenue.

16) United States Trade Rights Enforcement Act (H.R.3283).

This bill makes changes to U.S. trade law to counter subsidized imports from nonmarket economy countries. Actions to counter such imports have not been made by the Department of Commerce primarily because it believes it lacks explicit legal authority to do so. No estimate has been prepared for this bill, and

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Budget Week Page 2 therefore its potential effect on direct spending is unknown. Though it may have some effect on revenues, it will not cause the level of revenue to be less than the amount provided for in the budget resolution.

17) State High Risk Pool Funding Extension Act of 2005 (H.R.3204). This bill extends the authority for the Federal government to provide



grants to States to create qualified high risk pools. The measure also makes various changes to the allotment formula. No estimate has been prepared for this bill, and the bill may have an effect on direct spending, but it is not expected to cause the Committee on Energy and Commerce to exceed its allocation of new budget authority.

18) Controlled Substances Export Reform Act of 2005 (S.1395). This bill amends the Controlled Substances Import and Export Act



to give authority to the Attorney General to authorize the export of controlled substances from the United States to another country for subsequent export from that country to a second country, if certain conditions and safeguards are satisfied. No estimate has been prepared for this bill, but it is not expected to have an effect on direct spending. Though it may have some effect on revenue, it will not cause the level of revenue to be less than the amount provided for in the budget resolution.

19) Patient Safety and Quality Improvement Act of 2005 (S.544).



This bill expands the current duties of the Agency for Health

Research and Quality [AHRQ]. The new duties include providing technical support to patient safety organizations [PSOs], establishing certification procedures, and maintaining a list of qualified PSOs, which collect patient safety data from health care providers. The bill also establishes privacy protections and imposes civil monetary penalties for violations of those protections. In addition, the bill requires the Secretary of Health and Human Services to report to the Congress on effective strategies for reducing medical errors and increasing patient safety. Fines provided for in the bill will increase receipts by less than \$500,000. The bill will not affect direct spending.

20) A Bill to Amend the Controlled Substances Act to Lift the Patient Limitation on Prescribing Drug Addiction Treatments by Medical Practitioners in Group Practices, and for Other Purposes (S.45).



This bill amends the Controlled Substances Act to eliminate the 30-patient limit for medical practitioners in group practices that may dispense specified narcotic drugs for maintenance or detoxification treatment. No estimate has been prepared for this bill, but it is not expected to have an effect on direct spending.

LEGISLATION CONSIDERED UNDER A RULE

Small Business Health Fairness Act of 2005 (H.R.525). Bill:



Committee: Education and the Workforce

This bill creates a process by which association health plans [AHPs] could be established Summary:

by trade, industry, and professional associations. AHPs would provide health care benefits to employees of businesses that are members. Members of AHPs would be permitted to pay lower health insurance premiums by purchasing through the AHP instead of on the open market, mainly because the AHPs would be exempt from certain State

mandates and regulations.

Cost: The bill reduces net Federal spending for Medicaid by \$1 million in 2006 and by \$24

million over the 2006-10 period, because the number of small business employees covered by health insurance would increase, decreasing the number covered under Medicaid. The measure also reduces Federal revenue by \$3 million in 2006, and by \$71

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million over the 2006-10 period. This reduction occurs because health insurance payments are tax deductible, and when small businesses have greater numbers of employees covered, they would have lower tax liabilities.

Budget Act:

This measure does not violate the Congressional Budget Act. Though it reduces revenue, it would not cause the level of revenue collected by the Federal Government to be less than the amount provided for in the budget resolution.

Bill: Postal Accountability and Enhancement Act (H.R.22).

Committee: Government Reform, Judiciary

Summary: This bill changes the method by which pensions and health care benefits of retired workers of the United States Postal Service [USPS] are structured in the Federal budget.

This bill would increase the unified budget deficit relative to the budget resolution, but

would not affect the deficit in fiscal year 2006.

Under current law, the USPS is an off-budget agency of the Federal Government, and so the funding for its operations is not included in the budget resolution. Increases in offbudget accounts are generally not subject to points of order under the Congressional Budget Act, nor is the USPS reflected in the allocation of budget authority to the Committee on Government Reform. Retirees and employees of the USPS do, however, participate in Federal retirement and health benefit systems. As a result, the USPS makes certain payments to on-budget Federal accounts, which are defined as offsetting receipts (a credit against direct spending). In the 108th Congress, legislation was enacted that reduced payments from the USPS to the on-budget accounts of the Federal Government, and instead required those amounts to be deposited in an escrow fund, and remain unavailable for obligation.

This measure eliminates payments to the current health and retirement systems, but creates a new Postal Service Retiree Health Benefits Fund, which causes a net increase in offsetting receipts collected by on-budget accounts. The bill eliminates the escrow requirement, which then allows the USPS to reduce revenue or increase spending on offbudget accounts, causing a net increase in the unified budget deficit.

The bill also reduces off-budget direct spending by making the costs of the Postal Rate Commission and the USPS Office of the Inspector General subject to appropriation.

Cost: As noted, relative to the budget resolution this bill has the effect of increasing the unified

> budget deficit by \$1.4 billion over 5 years, though it would not have any effect on the unified budget in fiscal year 2006. Specifically, the bill reduces on-budget direct spending by \$2.9 billion in fiscal year 2006, and by \$15.7 billion in the 2006-10 period, but it increases off-budget direct spending by \$2.9 billion in fiscal year 2006, and by \$17.1

billion in the 2006-10 period. The bill does not affect Federal revenue.

Budget Act: Because postal operations are off budget, the cost of the bill does not breach the

allocation to the Committee on Government Reform, and so no point of order under the

applicable section of the Congressional Budget Act will apply against it.

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Budget Week Page 4 Bill: Help Efficient, Accessible, Low-Cost, Timely Healthcare [HEALTH] Act of 2005

(H.R.5).

Judiciary, Energy and Commerce

Summary: This bill imposes limits on medical malpractice litigation in State and Federal courts by

capping awards and attorney fees, modifying the statute of limitations, eliminating joint and several liability, and changing the way collateral-source benefits are treated. These changes are expected lower the cost of malpractice insurance for physicians, hospitals, and other health care providers and organizations. That reduction in insurance costs should, in turn, lead to lower charges for health care services and procedures, and

ultimately to a decrease in rates for health insurance premiums.

Cost: Lower health care costs and lower health insurance premiums will result in both revenue

> increases and spending reductions. Direct spending for Medicare, Medicaid, the Federal government's share of premiums for annuitants under the Federal Employees Health Benefits [FEHB] program, and other Federal health benefits programs will decrease. Also, because employers will pay less for health insurance for employees, more of their employees' compensation will be in the form of taxable wages and other fringe benefits,

leading to higher revenue.

The Congressional Budget Office has not yet published an official cost estimate for H.R. 5. But in March 2003, the House passed a nearly identical measure. That bill, if enacted, would have decreased direct spending by \$910 million in 2006 and \$7.54 billion over 2006-10. It also would have increased revenue by \$230 million in 2006 and \$1.56 billion over 2006-10, of which on-budget revenue (i.e., revenue other than Social Security payroll

taxes) would have constituted \$170 million in 2006 and \$1.08 billion over 2006-10.

Budget Act: Because the bill reduces direct spending and increases revenue, it is not expected to

violate any provisions of the Congressional Budget Act.

Bill: Dominican Republic-Central America-United States Free Trade Agreement

Implementation Act (H.R.3045).

Committee: Ways and Means

Summary: This bill approves the Dominican Republic-Central America-United States Free Trade

Agreement [CAFTA-DR] between the Government of the United States and the governments of the Dominican Republic and five Central American countries. The agreement, which was entered into with Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua on 28 May 2004, and with the Dominican Republic on 5 August 2004, provides for tariff reductions and other changes in law related to implementation of the agreement. Congress must consider the bill under the expedited procedures of the Trade Promotion Authority, which generally require that trade agreements be given "up-or-down"

votes without amendment.

Cost: Implementing the agreement will reduce revenue by \$3 million in 2006 and \$1.096 billion

> over 2006-10. The agreement also increases direct spending by \$27 million in 2006 and \$245 million over 2006-10, because increased sugar imports from CAFTA-DR signatory countries will reduce the price of sugar, which will lead to higher Federal sugar program

payments.

The budget resolution provides to the Ways and Means Committee a section 302(a) **Budget Act:**

allocation of \$350 million in 2006 and \$1.537 billion over 2006-10. This direct spending is intended to accommodate the welfare reform reauthorization bill that is the subject of

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Committee:

ongoing negotiations. Because the welfare reform bill has not been enacted into law, however, the Ways and Means Committee may continue to report other legislation that contains new direct spending not in excess of these amounts. Hence, H.R. 3045 does not violate section 302(f) of the Congressional Budget Act. It also does not violate the revenue floor established in H.Con.Res. 95, the concurrent resolution on the budget for fiscal year 2006.

POTENTIAL CONFERENCE REPORTS

Note: A number of bills with significant budgetary implications are currently in conference and may be brought up before the end of the week. and. Although final details of these conference reports and their estimated costs are unavailable, the discussion below provides a brief assessment of their status.

The Transportation Equity Act – A Legacy for Users (H.R. 3). H.R. 3 reauthorizes spending for Federal-aid highways, highway safety programs, and transit programs. The budget resolution accommodates an increase, to the Transportation Committee, of \$3.488 billion in fiscal year 2005 and \$12.238 billion through fiscal year 2009 over baseline levels. This translates to a total funding level of \$37.75 billion in fiscal year 2006, and \$284 billion over 2005-09, which is matched by the level in the House-passed bill. The budget resolution also contains a reserve fund that allows spending in the bill to be increased if offset relative to the budget resolution. There is no official estimate for the Senate measure, though it is expected exceed the budget resolution levels.

The Energy Policy Act (H.R. 6). This bill establishes an energy research and development program, and makes a variety of changes related to policy toward energy efficiency, renewable energy, oil and gas and energy tax incentives. The budget resolution provided the Energy and Commerce Committee \$100 million in fiscal year 2006, and \$2 billion through fiscal year 2010. Any bill spending above this level will be subject to a point of order. The House-passed version of this measure increases direct spending by \$221 million in fiscal year 2006, but reduces direct spending by \$1.1 billion over 5 years. The bill also reduces revenue \$4.0 billion over the 2006-10 period, well within the overall amount of allowable revenue loss provided for in the budget resolution. The Senate bill increases direct spending by \$728 million over the 2005-10 period. It also increases net revenues by \$75 million in 2006 but reduces revenue by \$1.2 billion over the 2006-10 period.

Prepared by The Committee on the Budget

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